Department of Defense National Relocation Program

Department of Army
HQ, Army Materiel Command
Townhall

National Relocation Program Office (NRPO)

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DNRP Handbook Web Site

http://www.nab.usace.army.mil/dnrp/

- NRPO POC Numbers
- SIRVA POC Numbers
- Program Discussion
- Request Form
- Exclusion Clause
- Appraisal Process Info

Department of Defense National Relocation Program (DNRP)

- aka DoD Relocation Services for Employees (DRSE)
- Authorized by PL 98-151 in 1985
- Implemented by JTR, Vol II Chapter 15
- Consolidated by Defense Management Report Decision (DMRD) 974 in 1993
- SIRVA Relocation Purchases Primary Residence of Authorized DoD Transferring Civilian Employees
- Eligibility Criteria Determined by DoD Component
- Alternative to PCS Real Estate Sale Reimbursement

Avoid Confusion

DNRP is <u>not</u> HAP!

HAP is <u>not</u> DNRP!

DNRP v HAP

DNRP:

- On-going JTR Program
- Available at agency discretion
- Civilian employees only
- Agency pays contract fee
- Offer reflects current value
- SIRVA owns property

HAP:

- Triggered by market decline
- Approval required by DASA
- Assists both Military & Civilian
- HAP Appropriations Funding
- Relief based on Prior Value
- Government owns property

Typical PCS Benefits

- **Real Estate Sale Expense Reimbursement (alternative to DNRP)**
- **Real Estate Purchase Expense Reimbursement**
- **Travel to New Duty Station**
- **Temporary Quarters**
- **House Hunting Trip**
- **Household Goods**
- **Miscellaneous Expense Allowance**
- **Relocation Income Tax Allowance (RITA)**

DNRP Services

- **Guaranteed Home Sale:**
  - **Marketing Assistance**
  - **Appraised Value Offer**
  - **Amended Value Offer**
  - **Buyer Value Option**
- **Property Management**
- **Destination Services:**
  - **Mortgage Counseling**
  - **Homesearch Assistance for Buyers & Renters**

Guaranteed Home Sale

- **Alternative to Real Estate Sale Reimbursement**
- **SIRVA Relocation Buys Your House**
- **Fee Paid by Government Covers Costs of Selling Home**
- **No Tax Liability on Government-Paid Contract Fee**
- **Process Complete in 60-90 Days**
- **Relo Contractor’s Offer Equals Average of 2 Appraisals**
- **Marketing Assistance to Achieve Amended Offer**
- **Equity Advance Available from Relo Contractor**

Guaranteed Home Sale

Property Requirements:

- **Principal Residence when Notified**
- **Owned by Employee and/or Dependent**
- **Meet Legal Requirements for Sale**
- **Complete, Financable, & Insurable**
- **If Rented - Tenant Must Vacate**

Pro-Rata Shared Fee

What: The employee shares payment of the SIRVA contract fee with the government in proportion to ownership or portion of the property covered by the JTR

When:

- **Duplex or Multiple Occupancy Dwelling**
- **Excess Land**
- **Joint Ownership with Non-Eligible Person**
- **Appraised in Excess of $750,000**

Guaranteed Home Sale

Ineligible Residences:

- **Boats/Houseboats**
- **Mobile Homes on rented lots**
- **Mobile Homes not real property**
- **Residences containing toxic substances**
- **Cooperative Housing**
- **Homes that cannot be financed or insured**

Concurrent Activities

SIRVA Arranges and/or Pays:

- **Broker Market Analysis**
- **Inspections: e.g. General Home, Structural, Well, Septic, Pest, Mold, Appraiser-Recommended**
- **2 Independent ERC Appraisals**
- **Title Search**
- **Mortgage, Tax, HOA Research**
- **Homeowner Release Forms**

Marketing Assistance

SIRVA Relocation will:

- **Recommend Reliable Real Estate Broker**

Broker will:

- **Help Determine Realistic List Price (BMA)**
- **Help Establish Marketing Plan**
- **Suggest Repairs or Improvements**

You will:

- **List with Exclusion Clause (Listing Addendum)**

Appraised Value Offer

- **Offer made to you by the SIRVA Relocation is based on the average of two in-range ERC appraisals performed by qualified appraisers of your choice.**

- **If first two appraisals vary by more than 10%, a third appraisal is performed and the offer is based on the average of the two closest appraisals.**

Appraisal

Why do it?

The ERC appraisal establishes the most probable selling price of a property that is exposed to the real estate market for a reasonable period of time (Normal Marketing Time in the Area Not To Exceed 120 days).

Appraisal

Who does it?

- **Qualified Independent Fee Appraisers**
- **Selected By Employee**
- **SIRVA Relocation *Offers* List**
- **Qualified Off-List Appraisers**
- **SIRVA Relocation Orders Appraisals**
- **SIRVA Relocation Pays for Appraisals**

Appraisal

How is it done?

- **Based on ERC Guidelines**
- **Establishes Anticipated Sales Price**
- **Considers Normal Marketing Time Not To Exceed 120 Days**
- **Marketplace Provides Comparable Sales**
- **Inspections and Brokers Market Analysis Provide Additional Information**
- **Appraisal Reflects “As Is” Condition**

Guaranteed Offer "Safety Net"

- **Receive Offer by Phone**
  - 60 Day Acceptance Period Begins
- **Followed by Written Contract of Sale**
- **Employee Options:**
  - Accept Guaranteed Home Sale Offer (After 60 Days Marketing Time)
  - Obtain Amended Value Sale
  - Reject Offer/Let it Expire
  - Ask for Reconsideration (Within 21 days)

Amended Value Offer

A bona fide offer presented by a third-party potential buyer to the transferee that represents a net market value which may be **More Than, Equal To, or Less Than** the Appraised Value Offer made by the Relocation Contractor.

Amended Value Sale

- You Market Home with Exclusion Clause
- Refer Potential Buyer (Market-Based Offer) to your SIRVA Counselor
- Bona Fide Offer Determined by Relo Contractor
- SIRVA “Amends” Appraised Value Offer to You
- You Sell to SIRVA at Amended Amount
- SIRVA Sells to Third-Party Buyer

Buyer Value Option

- You Market Home with Exclusion Clause
- You Get Market-based Offer Prior to Appraisal Process
- You Refer Potential Buyer to your SIRVA Counselor
- SIRVA Determines if Offer is Bona Fide
- SIRVA Accepts Market-based Offer
- You Sell to SIRVA at Accepted Amount
- SIRVA Re-Sells to Third-Party Buyer

Market-Based Offers

- **Market-Based Offers = Amended Value Offers and Buyer Value Option Offers**

WARNING

- **Do Not Sign or Initial Anything!!!**
- **Do Not Accept Deposit or Earnest Money!!!**

- **You Will Be Disqualified from DNRP!!!**

- **Immediately Contact your SIRVA Counselor or NRPO if you get a Market-Based Offer**

Market-Based Sales

Win! Win! Win!

- Winner #1 = You Get a Better Deal
- Winner #2 = DoD Pays a Lower Fee
- Winner #3 = SIRVA Has a Ready Buyer

Payment of Equity

- SIRVA pays 95% of Equity to You within 5 Days of Contract Acceptance
- Property Must be Left in Appraised Condition and Broom-Clean at Vacate and Receive 5% Balance of Equity
- Equity Advance Option - You may Request up to 75% of Equity Based on Appraised Value Offer Before Acceptance

GUARANTEED HOMESALE TIMELINE

- Intro Call 1 Day
- List House With Realtor 1 Day
- Selection of Appraisers 3 Days
- Appraised Value Offer 21 Days
- Offer Acceptance Period 60 Days
- Equity Payment 5 Days
- Vacate Period 30 Days

Note: Mandatory Marketing Time = 60 Days

CAUTION

- You **must market** your home for 60-day mandatory marketing time before accepting contractor's Appraised Value Offer…WHY? **Goal = Amended Value Offer**
- Your Listing Agreement **must include Exclusion Clause** (Handbook, Appendix 2)
- You **must mitigate** all safety and lender-required issues, and code violations before you can accept Appraised Value Offer
- **DO NOT** sign or initial outside contract of sale, or accept earnest money… **SHOWSTOPPER!!!!!!**

Destination Area Assistance

No Cost Services:

- **Buyer Home Search**
- **Renter Home Search**
- **Mortgage Counseling**

Destination Home Search

- Free to all DoD employees
- No Travel Orders Needed
- Destination Area Information
- Advice on Planning Home Search
- Selection and Scheduling of Brokers
- Research on Family Requirements
- Follow-up and Quality Control

Mortgage Counseling

- Information on Mortgages - Types, Rates, Terms, Fees, etc.
- Free Pre-qualification
- Expedited Application Processing
- Information on Variety of Lenders

How to Apply

- Employee Submits Request Form (Handbook, Appendix 1, Part 1) to Human Resources Office (HRO)
- HR Verifies Agency Eligibility Criteria On Request Form (Part 2) and Prepares Travel Orders with DNRP Authorization
- Budget Office Certifies Availability of Funds on Request Form (Part 3)
- HR Forwards Request Form/Travel Orders to NRPO

NRPO Functions

- Places Orders With SIRVA
- Counsels Employee
- Coordinates SIRVA Activity
- Ensures Contract Compliance
- Receives/Verifies Invoices from SIRVA
- Forwards Invoices to Paying Office

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